



## BATS Introduces Aggregated Credit Limit Risk Management Support Effective Immediately

### **Overview**

Effective immediately, BATS is pleased to introduce support for aggregated credit limit risk checks at the port level to BATS BZX Exchange, BATS BYX Exchange, and BATS Options. On a given port BATS will calculate and track four values as follows:

- **Cumulative Notional Booked Bid Value (CBB)** – The sum of limit price \* size for all buy limit orders on the book.
- **Cumulative Notional Booked Offer Value (CBO)** – The sum of limit price \* size for all sell limit orders on the book.
- **Cumulative Notional Executed Bid Value (CEB)** – The sum of size \* trade price on all executed buy orders.
- **Cumulative Notional Executed Offer Value (CEO)** – The sum of size \* trade price on all executed sell orders.

Members have the ability to configure both a Limit Order Notional Cutoff and a Market Order Notional Cutoff:

- **Limit Order Notional Cutoff** – When the risk measure exceeds this value, limit orders are rejected.
- **Market Order Notional Cutoff** – When the risk measure exceeds this value, market orders are rejected.

Defined risk measures will be applied at the port level using a **Notional Cutoff Aggregation Method**.

This method will be defined as either gross exposure **or** net exposure. Gross exposure is measured as CBB + CBO + CEB + CEO. Net exposure is measured as the ABSOLUTE VALUE of [(CEO + CBO) – (CEB+CBB)].

### **Availability**

Notional Cutoff Aggregation Method, Limit Order Notional Cutoff and Market Order Notional Cutoff are the port level risk parameters that can be applied to your order entry sessions to manage Aggregated Credit Risk Limits. These Risk Management controls can be enabled and configured by contacting the [BATS Trade Desk](#).

Coming soon, these options will also be configurable by Sponsoring Members using the Sponsored Access configuration tool available through the BATS Member Web Portal.

**For More Information**

Refer to the appropriate specification:

- [BATS US Equities Sponsored Access Specification](#)
- [BATS BYX Exchange US Equities BOE Specification](#)
- [BATS BZX Exchange US Equities BOE Specification](#)
- [BATS BYX Exchange US Equities FIX Specification](#)
- [BATS BZX Exchange US Equities FIX Specification](#)
- [BATS US Options BOE Specification](#)
- [BATS US Options FIX Specification](#)

Please contact the BATS Trade Desk or your Director of Sales with any questions. We appreciate your continued support of BATS and look forward to earning more of your business. As always, we are committed to our Members and to Making Markets Better.

**BATS Trade Desk**

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